



Audited Financial Statements

CALYPSO ASIA FUND

(An exempted company incorporated in the Cayman Islands
with limited liability)

For the year ended 31 December 2009

Ernst & Young

 **ERNST & YOUNG**
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CALYPSO ASIA FUND

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CALYPSO ASIA FUND

DIRECTORS AND ADMINISTRATION

DIRECTORS

Michael Stockford
Mark Beames
Clive Harris

REGISTERED OFFICE

Walker House
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Cayman Islands

INVESTMENT MANAGER

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PO Box 1034GT
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South Church Street
George Town, Grand Cayman
Cayman Islands

INVESTMENT ADVISOR

OP Calypso Capital Limited
Suites 2701-2703 & 2705-2708
Two Exchange Square
8 Connaught Road Central
Hong Kong

ADMINISTRATOR

Custom House Global Fund Services Limited
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PRIME BROKER

UBS AG London Branch
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England, UK

LEGAL ADVISORS

(as to matters of Cayman Islands Law)

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Central
Hong Kong

AUDITORS

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Independent Auditors' Report

The Board of Directors
Calypso Asia Fund
(An exempted company incorporated in the Cayman Islands with limited liability)

We have audited the accompanying financial statements of Calypso Asia Fund (the "Fund") which comprise the statement of financial position as at 31 December 2009, the statement of comprehensive income, statement of changes in net assets attributable to holders of participating redeemable shares and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Director's Responsibility for the Financial Statements

The directors of the Fund are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.



Independent Auditors' Report (continued)

Auditors' Responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young Ltd.

18 June 2010

CALYPSO ASIA FUND

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2009

		2009	Period from 1 July to 31 December 2008
	Notes	US\$	US\$
INCOME			
Dividend income		443,010	59,902
Interest income		124,199	161,106
		<u>567,209</u>	<u>221,008</u>
EXPENSES			
Interest expense		195,178	34,883
Dividend expense on equities sold short		203,198	33,261
Administration fee	5	60,000	27,000
Investment management fee	5	366,420	146,694
Incentive fee	5	976,310	-
Audit fee	5	31,543	19,083
Transaction fees		864,274	257,214
Directors' fee	5	30,000	17,645
Organisational expenses		-	23,711
Withholding taxes		22,123	3,040
Miscellaneous expenses		28,968	19,347
Total expenses		<u>2,778,014</u>	<u>581,878</u>
LOSS BEFORE INVESTMENTS AND EXCHANGE DIFFERENCE		(2,210,805)	(360,870)
INVESTMENTS AND EXCHANGE DIFFERENCES			
Net realised gains/(losses) on financial assets and liabilities at fair value through profit or loss		3,639,934	(522,782)
Net change in unrealised gains on financial assets and liabilities at fair value through profit and loss		3,209,379	1,782
Net exchange gains/(losses)		62,216	(14,624)
		<u>6,911,529</u>	<u>(535,624)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR/PERIOD		<u>4,700,724</u>	<u>(896,494)</u>

CALYPSO ASIA FUND

STATEMENT OF FINANCIAL POSITION

31 December 2009

	Notes	2009 US\$	2008 US\$
ASSETS			
Cash and cash equivalent	6	1,089,149	1,504,796
Financial assets at fair value through profit or loss	8	26,874,355	9,362,660
Due from the Prime Broker	7	-	12,418,407
Due from the Investment Manager	10	100	100
Prepaid expenses		81,279	5,572
Loan receivable	9	1,289,757	-
Dividend receivable		-	15,574
TOTAL ASSETS		<u>29,334,640</u>	<u>23,307,109</u>
EQUITY			
Share capital		<u>100</u>	<u>100</u>
LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATING REDEEMABLE SHARES)			
Financial liabilities at fair value through profit or loss	8	4,506,677	7,511,277
Management fee payable	5	35,213	24,276
Administration fee payable	5	5,000	4,500
Incentive fee payable	5	851,958	-
Other payables and accrued liabilities		45,622	23,450
Due to the Prime Broker	7	3,568,251	-
Subscriptions received in advance		-	1,500,000
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATING REDEEMABLE SHARES)		<u>9,012,721</u>	<u>9,063,503</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATING REDEEMABLE SHARES		<u>20,321,819</u>	<u>14,243,506</u>
TOTAL LIABILITIES AND EQUITY		<u>29,334,640</u>	<u>23,307,109</u>

CALYPSO ASIA FUND

STATEMENT OF FINANCIAL POSITION (continued)

31 December 2009

		2009	2008
NUMBER OF PARTICIPATING REDEEMABLE SHARES IN ISSUE			
Calypso Asia Fund			
- Lead Series		-	150,000
- Sept 2008 Series	10	1,400	1,400
- January 2009 Series	10	16,750	-
- April 2009 Series	10	150,000	-
- May 2009 Series	10	<u>2,000</u>	<u>-</u>
NET ASSET VALUE PER PARTICIPATING REDEEMABLE SHARES			
Calypso Asia Fund			
- Lead Series		-	94.05
- Sept 2008 Series	11	125.27	96.80
- January 2009 Series	11	128.79	-
- April 2009 Series	11	118.35	-
- May 2009 Series	11	<u>118.17</u>	<u>-</u>

CALYPSO ASIA FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO
HOLDERS OF PARTICIPATING REDEEMABLE SHARES

For the year ended 31 December 2009

US\$

At 1 July 2008	-
Issue of participating redeemable shares during the period	15,140,000
Change in net assets attributable to holders of participating redeemable shares from operations for the period from 1 July 2008 to 31 December 2008	<u>(896,494)</u>
Net assets attributable to holders of participating redeemable shares at 31 December 2008 and 1 January 2009	14,243,506
Issue of participating redeemable shares during the year	16,875,000
Redemptions of participating redeemable shares during the year	(15,497,411)
Change in net assets attributable to holders of participating redeemable shares from operations for the year	<u>4,700,724</u>
Net assets attributable to holders of participating redeemable shares at 31 December 2009	<u><u>20,321,819</u></u>

CALYPSO ASIA FUND

STATEMENT OF CASH FLOWS

For the year ended 31 December 2009

		Period from 1 July to 31-December
	2009	2008
	US\$	US\$
	<i>Note</i>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets attributable to holders of participating redeemable shares from operations for the year/period	4,700,724	(896,494)
Adjustments for:		
Dividend income	(443,010)	(59,902)
Dividend expense	164,991	33,261
Interest income	(124,199)	(161,106)
Interest expense	195,178	34,883
Purchase of financial assets and liabilities at fair value through profit or loss	(155,318,472)	(45,262,912)
Proceeds from sale of financial assets and liabilities at fair value through profit or loss	141,960,867	42,878,741
Net change in unrealised gains on financial assets and liabilities at fair value through profit and loss	(3,209,379)	(1,782)
Net realised (gains)/losses on financial assets and liabilities at fair value through profit and loss	(3,639,934)	522,782
Net exchange (gains)/losses	<u>(62,216)</u>	<u>14,624</u>
	(15,775,450)	(2,897,905)
Decrease/(increase) in amount due from the Prime Broker	15,986,658	(12,418,407)
Increase in amount due from Investment Manager	-	(100)
Increase in prepaid expenses	(618)	(5,572)
Increase in dividend receivable	(59,515)	(15,574)
Increase in loan receivable	(1,289,757)	-
Increase in management fee payable	10,937	24,276
Increase in administration fee payable	500	4,500
Increase in incentive fee payable	851,958	-
Increase in other payables and accrued liabilities	22,172	23,450
(Decrease)/increase in subscriptions received in advance	<u>(1,500,000)</u>	<u>1,500,000</u>
	<u>2,572,792</u>	<u>(13,785,332)</u>

CALYPSO ASIA FUND

STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2009

		Period from 1 July to 31 December
	2009	2008
	US\$	US\$
<i>Note</i>		
Dividend received	383,495	44,328
Dividend paid	(164,991)	(33,261)
Interest received	(55,399)	154,817
Interest paid	<u>(203,226)</u>	<u>(15,756)</u>
Net cash flows used in operating activities	<u>(1,793,236)</u>	<u>(13,635,204)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of participating redeemable shares	16,875,000	15,140,000
Payments for the redemption of participating redeemable shares	<u>(15,497,411)</u>	<u>-</u>
Net cash flows generated from financing activities	<u>1,377,589</u>	<u>15,140,000</u>
 NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	 (415,647)	 1,504,796
 Cash and cash equivalents at beginning of the year/period	 1,504,796	 -
 CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD	 6 <u>1,089,149</u>	 <u>1,504,796</u>

CALYPSO ASIA FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

1. CORPORATE INFORMATION

Calypso Asia Fund (the "Fund") is a company incorporated on 8 December 2003 under the laws of the Cayman Islands as an exempted company with limited liability and registered with the Cayman Islands Monetary Authority. The registered office of the Fund is at Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9005, Cayman Islands.

The investment objective of the Fund is to provide absolute returns through pursuing a long short strategy, investing primarily in liquid equities and derivative instruments available in the Asia Pacific markets, with an emphasis on the Greater China region.

The Fund had been dormant following the full redemption of its participating shares in 2006. No audited financial statements were issued for the years ended 2006 and 2007. The Fund was reactivated on 30 May 2008 and commenced operations on 1 July 2008.

2.1 CHANGES IN ACCOUNTING POLICY AND DISCLOSURE

The Fund has adopted the following standards and amendments as of 1 January 2009:

IAS 1 (Revised)	<i>Presentation of Financial Statements</i>
IFRS 7 (Amendment)	<i>Financial Instruments: Disclosure</i>
IAS 32 (Amendment)	<i>Financial Instruments: Presentation</i>
IAS 1 (Amendment)	<i>Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation</i>

IAS 1 (Revised), *Presentation of Financial Statements*

The standard replaces IAS 1, *Presentation of Financial Statements*, (revised in 2003) as amended in 2005. The revised IAS 1, *Presentation of Financial Statements*, was issued in September 2007 and is effective for accounting periods beginning on or after 1 January 2009.

The standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Fund has no instruments classified as equity and therefore a statement of changes in equity is not presented. In addition, the standard introduces the statement of comprehensive income: it presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense, either in one single statement, or in two linked statements.

Adoption of the revised standard did not have a material effect on the financial performance or position of the Fund. A statement of changes in equity has not been presented since this is not considered material to the fair presentation of the financial statements. A single statement of comprehensive income was prepared.

IFRS 7 (Amendment), *Financial Instruments: Disclosure*

The Amendments to IFRS 7 were issued in March 2009 and become effective for annual periods beginning on or after 1 January 2009. The Fund has adopted these amendments with effect from 1 January 2009.

31 December 2009

2.1 CHANGES IN ACCOUNTING POLICY AND DISCLOSURE (continued)

The amendments to IFRS 7 require fair value measurements to be disclosed by the source of inputs, using a three-level hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

In addition, the amendments revise the specified minimum liquidity risk disclosures including: the contractual maturity of non-derivative and derivative financial liabilities, and a description of how this is managed.

IAS 32, Financial Instruments: Presentation, and IAS 1, Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation

Amendments to IAS 32 and IAS 1 were issued by the IASB in February 2008 and become effective for annual periods beginning on or after 1 January 2009 with early application permitted. The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendments to IAS 1 require disclosure of certain information relating to puttable instruments classified as equity.

The Fund's redeemable participating shares do not meet the definition of puttable instruments classified as equity instruments under the amendments, as the Fund has issued management shares that have different features from that of the redeemable shares. Hence, the amendments to IAS 32 and IAS 1 had no material impact on the financial performance or position of the Fund.

2.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company has not early applied any of the new and revised IFRSs that have been issued but are not yet effective for the accounting year ended 31 December 2009, in these financial statements. The Fund is in the process of making an assessment of the impact of the revised IAS upon initial application. So far, the Fund considers it has considered that the new and revised IFRSs are unlikely to have a significant impact on the Fund's results of operations and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB.

Basis of preparation

The financial statements have been prepared on a historical cost basis, except for financial assets and liabilities held at fair value through profit or loss, that have been measured at fair value.

31 December 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments and estimates

The preparation of the Fund's financial statements requires management to make judgments, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Going concern

The Fund's management has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Financial instruments

(i) Classification

The fund classifies its financial assets and financial liabilities into the categories in accordance with IAS 39.

Financial assets and liabilities at fair value through profit or loss

Financial instruments designated as at fair value through profit or loss upon initial recognition: These include equity securities and debt instruments that are not held for trading. These financial assets are designated on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Fund, as set out in the Fund's offering document. The financial information about these financial assets is provided internally on that basis to the Investment Manager and to the Board of Directors.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund includes in this category amounts relating to reverse repurchase agreements, cash collateral on securities borrowed and other short-term receivables.

Other financial liabilities

This category includes all financial liabilities, other than those classified as at fair value through profit or loss. The Fund includes in this category amounts relating to repurchase agreements, cash collateral on securities lent and other short-term payables.

(ii) Recognition

The Fund recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

31 December 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(iii) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired; or
- The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its rights to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset.

The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

(iv) Initial measurement

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Loans and receivables and financial liabilities (other than those classified as at fair value through profit or loss) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(v) Subsequent measurement

After initial measurement, the Fund measures financial instruments, which are classified as at fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in 'Net gain or loss on financial assets and liabilities at fair value through profit or loss'.

Loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at fair value through profit or loss, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

31 December 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(v) ***Subsequent measurement (continued)***

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Determination of fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

Where the Fund has assets and liabilities with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies the bid or asking price to the net open position as appropriate.

Impairment of financial assets

The Fund assesses at each reporting date whether a financial asset or group of financial assets classified as loans and receivables is impaired. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted using the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss as 'Credit loss expense'.

Impaired debts together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Fund. If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a previous write-off is later recovered, the recovery is credited to the 'Credit loss expense'.

31 December 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master-netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Interest revenue and expense

Interest revenue and expense are recognised in the statement of comprehensive income for all interest-bearing financial instruments using the effective interest method.

Dividend revenue and expense

Dividend revenue is recognised when the Fund's right to receive the payment is established. Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income. Dividend expense relating to equity securities sold short is recognised when the shareholders' right to receive the payment is established.

Participating redeemable shares

Participating redeemable shares are redeemable either at the option of investors or compulsorily redeemed by the Fund and are classified as financial liabilities. The participating shares can be redeemed on any redemption day. Investors should send a completed redemption request to the Administrator on the Business Day falling at least 30 calendar days, or such lesser period as the Directors may in any particular case determined, before the relevant redemption day.

Foreign currency translation

(i) Functional currency and presentation currency

The Company may invest in assets and enter into transactions denominated in currencies other than its functional currency, the United States dollars. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that had an adverse effect on the fair value or future cash flows of that portion of the Fund's financial assets or liabilities denominated in currencies other than the United States dollar. The fund's currency risk is managed on a daily basis by the Investment Manager in accordance with policies and procedures in place. The Fund's financial statements are presented in US\$.

(ii) Foreign currency transactions

Transactions in foreign currencies other than the functional currency are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Realised and unrealised exchanges gains or losses on foreign currency transactions are credited or charged to the statement of comprehensive income as foreign currency gains or losses.

Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits, time deposits with an original maturity of three months or less and short term, highly liquid investments readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. Cash at bank that is denominated in United States Dollars are carried at cost. Those, which are denominated in other currencies, are translated into United States Dollars at the applicable rates of exchange at the reporting date.

CALYPSO ASIA FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents (continued)

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Due from/to prime broker

Amount due from/to the prime broker include cash deposits with the prime broker and amounts receivable/payable for investment transactions that have not settled at the reporting date.

4. RELATED PARTY TRANSACTIONS

The Fund has been managed by OP Calypso Capital Limited ("Investment Manager") from its incorporation on 8 December 2003 to 30 September 2008. OP Calypso Capital Limited is a company incorporated in Hong Kong and has become the Investment Advisor of the Fund starting 1 October 2008. Starting 1 October 2008, the Fund has been managed by OP Calypso Capital (Cayman) Limited ("Investment Manager") which is a company incorporated in Cayman Islands.

The Fund has an investment in Greater China Special Value Fund which is managed by the same Investment Manager as the fund

The Investment Manager is responsible for managing the investments of the Fund in the interests of the participating redeemable shareholders on behalf of the Fund. Details of the fees, to which the Investment Manager is entitled, are provided in note 5 to the financial statements.

Michael Stockford, one of the directors of the Fund, is also a director of both OP Calypso Capital Limited and OP Calypso Capital (Cayman) Limited. The Fund also has investments in TOP Commodity Fund of which the Sub-Investment Manager is OP Calypso Capital (Cayman) Limited.

5. FEES

Administration fees

Custom House Fund Services (Ireland) Limited (the "Administrator") is entitled to receive an administration fee charged monthly at each valuation day at the following rates:

- 0.125% per annum of Net Assets up to US\$100 million
- 0.10% per annum of Net Assets between US\$100 million and US\$200 million
- 0.075% per annum of Net Assets between US\$200 million and US\$300 million
- 0.05% per annum of Net Assets between US\$300 million and US\$500 million
- 0.04% per annum of Net Assets in excess of US\$500 million.

CALYPSO ASIA FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

5. FEES (continued)

Administration fees (continued)

The administration fee is subject to a monthly minimum fee of US\$4,500 for the first six months of operation and thereafter a minimum monthly fee of US\$5,000.

The administration fee to Custom House Fund Services (Ireland) Limited for the year was US\$60,000 (2008: US\$27,000). As at 31 December 2009, an administration fee of US\$5,000 (2008: US\$4,500) was payable to the Administrator.

Investment management fees

The Investment Manager of the Fund is entitled to receive an investment management fee calculated on the basis of 2% per annum of the net asset value of the Fund accrued daily and calculated on the net asset value of the Fund as at each valuation date, payable monthly in arrears.

The investment management fee to OP Calypso Capital (Cayman) Limited was US\$366,420 (2008: US\$74,362 and US\$72,332, respectively) in the current year. As at 31 December 2009, an investment management fee of US\$35,213 (2008: US\$24,276) was payable to OP Calypso Capital (Cayman) Limited.

Incentive fee

The Investment Manager of the Fund is also entitled to receive an incentive fee, which shall be equal to 20% of the increase in the net asset value per Share of the relevant series as at the last valuation point of the relevant financial year over the performance benchmark applicable to such series.

The incentive fee to OP Calypso Capital (Cayman) Limited was US\$976,310 (2008: US\$Nil) for the current year. As at 31 December 2009, an incentive fee of US\$851,958 (2008: US\$Nil) was payable to OP Calypso Capital (Cayman) Limited.

Directors' fee

The aggregated Directors' fee should not exceed US\$30,000. During the year, Directors' fee amounted to US\$ 30,000 (2008: US\$17,645) was paid. No other emoluments or benefits were paid or payable in respect of the Directors' services during the year. Michael Stockford, who is also a Director of the Investment Manager, has waived his entitlement to the remuneration in current year.

Audit fees

The audit fee was US\$31,543 (2008: US\$19,083) for the current year. As at 31 December 2009, an audit fee of US\$30,350 (2008: US\$23,250) was payable.

6. CASH AND CASH EQUIVALENTS

	2009	2008
	US\$	US\$
Cash at bank	<u>1,089,149</u>	<u>1,504,796</u>

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank as at 31 December, which was held with the JP Morgan Chase Bank.

CALYPSO ASIA FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

7. DUE FROM/TO PRIME BROKER

	2009	2008
	US\$	US\$
Due from the prime broker	-	12,418,407
Due to the prime broker	<u>(3,568,251)</u>	<u>-</u>

As at 31 December 2009, the amount was due to UBS AG London Branch.

8. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The Fund's equity investments of long and short positions were classified as financial assets and liabilities at fair value through profit or loss. The carrying amount and net gains and losses on each category of financial instruments are listed below:

	2009	2008
	US\$	US\$
<u>Financial assets at fair value through profit or loss</u>		
Unlisted mutual funds, at cost	3,400,000	-
Listed equities, at cost	20,117,381	9,127,233
Unrealised gains	3,356,974	235,427
At fair value	<u>26,874,355</u>	<u>9,362,660</u>
<u>Financial liabilities at fair value through profit or loss</u>		
Listed equities, at cost	4,360,864	7,277,632
Unrealised losses	145,813	233,645
At fair value	<u>4,506,677</u>	<u>7,511,277</u>

A detailed portfolio listing is set out on pages 29 - 35.

Fair value hierarchy

The following table shows financial instruments recognised at fair value, analyzed between those whose fair value is based on:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

CALYPSO ASIA FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

8. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS
(continued)

Financial assets at fair value through profit or loss

31 December 2009	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Listed equity securities	23,236,695	-	-	23,236,695
Unlisted mutual funds	-	3,637,660	-	3,637,660

Financial liabilities at fair value through profit or loss

31 December 2009	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Listed equity securities	4,506,677	-	-	4,506,677

During the reporting year ended 31 December 2009, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

9. LOAN RECEIVABLE

On 9 October 2009, the Investment Manager entered into an agreement with Harmony Asset Limited (“Harmony”) a company incorporated in the Cayman Islands to grant a loan amounting to HK\$30,000,000 to Team Genius Limited a private company incorporated in Hong Kong, with a fixed interest rate of 25% per annum payable on 9 January 2010. The Investment Manager and Harmony shall participate equally on the granting of the loan, with the Investment Manager assigning HK\$10,000,000 to the Fund and HK\$5,000,000 to the Asian Special Opportunities Fund an exempted company incorporated in the Cayman Islands.

Interest income from the loan recognised in the statement of comprehensive income as at 31 December 2009 amounted to US\$75,089, which was receivable as at 31 December 2009.

CALYPSO ASIA FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

10. SHARE CAPITAL AND PARTICIPATING REDEEMABLE SHARES

	2009	2008
	US\$	US\$
Authorised:		
100 management shares of US\$1.00 each	100	100
4,990,000 participating redeemable shares of US\$0.01 each	49,900	49,900
	<u>50,000</u>	<u>50,000</u>
Issued:		
100 management shares of US\$1.00 each*	100	100
170,150 (2008:151,400) participating redeemable shares of US\$0.01 each	1,702	1,514
	<u>1,802</u>	<u>1,614</u>

* As at 31 December 2009, all of the management shares were unpaid.

Participating redeemable share transactions for the 2009 were as follows:

	Lead Series Number of shares	Sept 2008 Series Number of shares	January 2009 Series Number of shares	April 2009 Series Number of shares	May 2009 Series Number of shares	Total number of shares
At 1 July 2008	-	-	-	-	-	-
Issued during the period	<u>150,000</u>	<u>1,400</u>	-	-	-	<u>151,400</u>
At 31 December 2008 and 1 January 2009	150,000	1,400	-	-	-	151,400
Issued during the year	-	-	16,750	150,000	2,000	168,750
Redeemed during the year	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
At 31 December 2009	<u>-</u>	<u>1,400</u>	<u>16,750</u>	<u>150,000</u>	<u>2,000</u>	<u>170,150</u>

CALYPSO ASIA FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

10. SHARE CAPITAL AND PARTICIPATING REDEEMABLE SHARES (continued)

The capital of the Fund is divided into two classes of shares, being management shares and participating redeemable shares. The 100 management shares are held by the Investment Manager and are issued for the purposes of enabling all the participating shares to be redeemed without liquidating the Fund. The management shares carry the right to return of the nominal amount paid up thereon on the winding up of the Fund and the right to vote.

The participating redeemable shares carry no voting rights but are entitled to dividends and carry an exclusive right to receive any surplus assets remaining after the return of the nominal amount paid up on the participating redeemable shares and the management shares. The participating redeemable shares may be issued and redeemed on any subscription day or redemption day, as defined in the Offering Memorandum.

The participating redeemable shares are offered on the last business day of each month. Shareholders may redeem their participating redeemable shares on the first business day of each month. Requests for redemption may be made to the Administrator at least 30 days prior to the Redemption Date.

11. NET ASSET VALUE PER PARTICIPATING REDEEMABLE SHARE

The calculation of the net asset value per participating redeemable share of the series is based on the net asset value attributable to the participating redeemable shareholders and on the total number of participating redeemable shares issued as at the reporting date as follows:

	Number of outstanding participating redeemable shares	Net asset value attributable to participating redeemable shareholders US\$	Net asset value per participating redeemable share US\$
<u>2009</u>			
Calypso Asia Fund			
- Lead Series	-	-	-
- Sept 2008 Series	1,400	175,377	125.27
- January 2009 Series	16,750	2,157,163	128.79
- April 2009 Series	150,000	17,752,941	118.35
- May 2009 Series	2,000	236,338	118.17
<u>2008</u>			
Calypso Asia Fund			
- Lead Series	150,000	14,107,985	94.05
- Sept 2008 Series	1,400	135,521	96.80

CALYPSO ASIA FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

12. RECONCILIATION BETWEEN NET ASSET VALUE PER THE FINANCIAL STATEMENTS AND PUBLISHED NET ASSET VALUE

	2009	2008
	US\$	US\$
Net asset value used for calculating published net asset value per unit	20,422,831	14,267,218
Adjustment to valuation of investment	(82,570)	-
Adjustment to capitalisation of preliminary expenses	<u>(18,442)</u>	<u>(23,712)</u>
Net asset value per the financial statements	<u>20,321,819</u>	<u>14,243,506</u>

13. TAXATION

The Fund received an undertaking dated 13 January 2004 from the Governor-in-Cabinet of the Cayman Islands, that in accordance with Section 6 of the Tax Concessions Law (1999 Revision), for a period of 20 years from the date of that undertaking, no laws of the Cayman Islands enacted thereafter imposing any tax on profits, income, gains or appreciations shall apply to the Fund and that no tax in the nature of estate duty or inheritance tax shall be payable on the shares of the Fund.

Under the current Cayman Islands law, no tax will be charged in the Cayman Islands on the profits or gains of the Fund, and dividends of the Fund will be payable to shareholders resident in or outside the Cayman Islands without deduction of tax. No stamp duty is levied in the Cayman Islands on the transfer or redemption of shares in the Fund.

14. DISTRIBUTION

No distribution was paid or payable during the year ended 31 December 2009.

15. FINANCIAL INSTRUMENTS, ASSETS AND LIABILITIES AND RISK MANAGEMENT POLICY OF THE FUND

The Fund is subject to various risks as the Fund holds a number of financial instruments, including equity securities and derivative financial instruments. The main risks associated with the financial instruments, assets and liabilities of the Fund are set out below:

(a) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual assets or factors affecting all assets in the market. The Fund's overall market positions are monitored on a daily basis by the Fund's Investment Manager and are reviewed periodically by the Board of Directors.

31 December 2009

15. FINANCIAL INSTRUMENTS, ASSETS AND LIABILITIES AND RISK MANAGEMENT POLICY OF THE FUND (continued)

(a) Market risk (continued)

The Fund's equity securities and trading derivative financial instruments are susceptible to market price risk arising from uncertainties about future prices of the instruments. The Fund's market price risk is managed through diversification of the investment portfolio by exposure. As at 31 December 2009, the overall market exposure was 132% long and 22% short with a net of 110%.

Short sales made by the Fund involve certain risks and special considerations. Possible losses from short sales differ from losses that could be incurred from a purchase of a security, because losses from short sales may be unlimited, whereas losses from purchases cannot exceed the total amount invested.

The Fund minimises its exposure to market risk by holding a diverse portfolio stocks spread across numerous countries and sectors. As of the 31 December 2009 the largest single investment exposure accounted for 10% of the total net asset value. The largest country exposure was at 53%.

The Investment Manager monitors the Value at Risk ("VaR") on a monthly basis to assess the market risk of the positions held and to estimate the potential economic loss based upon a number of parameters and assumptions for various changes in market conditions.

Objectives and limitations of the VaR Methodology

The VaR models are designed to measure market risk in a normal market environment. The models assume that any changes occurring in the risk factors affecting the normal market environment will follow the distribution that occurs from the Monte Carlo simulation. The distribution is calculated by using exponentially weighted historical data. The use of VaR has limitations because it is based on historical correlations and volatilities in market prices and assumes that future price movements will follow a statistical distribution. Due to the fact that VaR relies significantly on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, the probability of large market moves may be underestimated if changes in risk factors fail to align with the normal distribution assumption. VaR may also be under or over-estimated due to the assumptions placed on risk factors and the relationship between such factors for specific instruments. The position level data is supplied to the Investment Manager's risk monitoring service provider monthly and as a result positions may change throughout the course of a month. The VaR only represents the risk of the portfolios at the close of each business month, and it does not account for any losses that may occur beyond the 95% confidence level. In practice, the actual trading results will differ from the VaR calculation and, in particular, the calculation does not provide a meaningful indication of profits and losses in stressed market conditions. Market risk positions are also subject to regular stress tests to ensure that the Fund would withstand an extreme market event.

CALYPSO ASIA FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

15. FINANCIAL INSTRUMENTS, ASSETS AND LIABILITIES AND RISK MANAGEMENT POLICY OF THE FUND (continued)

(a) Market risk (continued)

Foreign currency risk

Foreign currency risk is the risk that the value of financial assets and liabilities will fluctuate due to changes in foreign exchange rates. The Fund's assets and liabilities are denominated in US\$ and the Investment Manager consistently monitors the Fund's exposure to other currencies and utilises forward foreign exchange contracts as appropriate. As at 31 December 2009, the Fund has transaction currency exposure arises from its investments denominated in Japanese Yen ("JPY") and Singapore Dollar ("SGD"). Assuming a 5% change in US\$ against JPY and SGD, with all other variables held constant, the effects to the Fund's Net Asset Value will be as follows:

	2009 US\$	2008 US\$
US\$ against JPY		
Strengthened	238,504	132,308
Weakened	(238,504)	(132,308)
US\$ against SGD		
Strengthened	65,525	19,874
Weakened	(65,525)	(19,874)

Interest rate risk

Interest rate risk is the risk that the values of financial instruments and future cash flows will fluctuate due to changes in market interest rates. The majority of the Fund's assets and liabilities are equity and equity derivatives and are non-interest bearing. Any excess cash and cash equivalents are invested at short-term market interest rates with the Prime Broker. Furthermore, the cash at bank and balance with the Prime Broker, which are interest bearing, are short-term in nature, changes in their fair values in the event of a change in interest rate would be immaterial. Management considers the Fund's exposure to interest rate risk is minimal.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as the result of changes in equity indices and the value of individual stocks. The trading equity price risk exposure arises from the Fund's investment portfolio.

The Fund trades in financial instruments, taking positions in traded and over the counter instruments, including derivatives, to take advantage of short term market movements in the equity markets. The Fund may therefore buy or sell derivative financial instruments, including options, swaps and futures. The Fund is allowed to trade in any derivative products so that the total value of all derivative products of the Fund with a non-hedging position does not exceed 15% of the Net Asset Value of the Fund.

All securities investments present a risk of loss of capital. The Investment Manager moderates this risk through a careful selection of securities and other financial instruments within specified limits. Except for written options and equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from written options and equities sold short can be unlimited.

CALYPSO ASIA FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

15. FINANCIAL INSTRUMENTS, ASSETS AND LIABILITIES AND RISK MANAGEMENT POLICY OF THE FUND (continued)

(a) Market risk (continued)

Equity price risk (continued)

The Fund's overall market positions are monitored by the Investment Manager and are reviewed by the directors on a monthly basis.

The Fund invests in other Funds managed by the manager, but each of these underlying Funds adheres to the same risk profile as the Fund and therefore the manager does not perceive any additional risk from such investments.

An increase of 5% in the underlying investments would increase the Net Asset Value by US\$1,118,384 or 5.2% (2008: US\$92,569 or 0.7%). A decrease of 5% in the underlying investments would have an equal but opposite effect.

(b) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial assets and liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value.

The Fund is exposed to liquidity risk, as the investments held within the Fund may not be readily closed out due to a lack of liquidity for the investments.

The table below analyses the Fund's financial assets and liabilities based on relevant contractual maturities based on remaining period at the balance sheet date:

31 December 2009

	On demand	Less than 1	More than	Total
	US\$	month	1 month	US\$
		US\$	US\$	
Assets				
Cash and cash equivalents	1,089,149	-	-	1,089,149
Financial assets at fair value through profit or loss	23,236,695	-	3,637,660	26,874,355
Due from the Investment Manager	100	-	-	100
Other receivable	-	75,089	-	75,089
Loan issued	-	-	1,289,757	1,289,757
Prepaid expenses	-	6,190	-	6,190
Total financial assets	24,325,944	81,279	4,927,417	29,334,640

CALYPSO ASIA FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

15. FINANCIAL INSTRUMENTS, ASSETS AND LIABILITIES AND RISK MANAGEMENT POLICY OF THE FUND (continued)

(b) Liquidity risk (continued)

31 December 2009

	On demand	Less than 1	More than	Total
	US\$	month	1 month	US\$
		US\$	US\$	
Liabilities				
Financial liabilities at fair value through profit or loss	4,506,677	-	-	4,506,677
Management fee payable	-	35,213	-	35,213
Administration fee payable	-	5,000	-	5,000
Other payables and accrued expenses	-	45,622	-	45,622
Due to Prime Broker	3,568,251	-	-	3,568,251
Incentive fee payable	-	851,958	-	851,958
Net assets attributable to holders of participating redeemable shares	-	-	20,321,819	20,321,819
Total financial liabilities	<u>8,074,928</u>	<u>937,793</u>	<u>20,321,819</u>	<u>29,334,540</u>

31 December 2008

Assets				
Cash and cash equivalents	1,504,796	-	-	1,504,796
Financial assets at fair value through profit or loss	9,362,660	-	-	9,362,660
Due from the Prime Broker	12,418,407	-	-	12,418,407
Due from the Investment Manager	100	-	-	100
Dividends receivable	-	15,574	-	15,574
Prepaid expenses	-	5,572	-	5,572
Total financial assets	<u>23,285,963</u>	<u>21,146</u>	<u>-</u>	<u>23,307,109</u>
Liabilities				
Financial liabilities at fair value through profit or loss	7,511,277	-	-	7,511,277
Management fee payable	-	24,276	-	24,276
Administration fee payable	-	4,500	-	4,500
Other payables and accrued expenses	-	23,450	-	23,450
Subscriptions received in advance	-	1,500,000	-	1,500,000
Net assets attributable to holders of participating redeemable shares	-	-	14,243,506	14,243,506
Total financial liabilities	<u>7,511,277</u>	<u>1,552,226</u>	<u>14,243,506</u>	<u>23,307,009</u>

CALYPSO ASIA FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

15. FINANCIAL INSTRUMENTS, ASSETS AND LIABILITIES AND RISK MANAGEMENT POLICY OF THE FUND (continued)

(c) Credit risk

Credit risk relates to the extent to which failures by counterparties to discharge their obligations could reduce the amount of future cash flows from financial instruments on hand as at the balance sheet date.

The Fund is exposed to a concentration of credit risk on its investments placed with the Prime Broker. In addition, substantially all of the cash and cash equivalents of the Fund are placed with the Prime Broker and a single financial institution located in London. The Fund seeks to minimise its exposure to credit risk by only dealing with counterparties with high credit ratings.

The Fund is exposed to credit risk on its amounts due from the Prime Broker UBS AG, and its investments placed with the Prime Broker. In addition, substantially all of the cash and cash equivalents of the Fund are placed with the Prime Broker and a single financial institution.

The Fund's maximum exposure to credit risk in the event the counterparties fail to perform their obligations without taking account of any collateral held as of 31 December 2009 in relation to each class of recognised financial assets is the carrying amount of those assets as disclosed in the balance sheet.

The table below summarises the net assets subject to credit risk placed with the Prime Broker at 31 December 2009:

	Credit rating	Source of credit	US\$
<u>Prime Broker</u>			
UBS AG	A+	Standard & Poor's	
- Due to the Prime Broker			(3,568,251)
- Financial assets at fair value through profit or loss			23,236,695
- Financial liabilities at fair value through profit or loss			(4,506,677)
			<u>15,161,767</u>

All transactions in listed securities are settled/paid upon delivery using approved and reputable brokers. The board of directors considers the risk of default as minimal as delivery of securities sold is only made when the broker has received payment. Payment is made on a purchase when the broker has received the securities. The trade will fail if either party fails to meet its obligation.

The Fund limits its exposure to credit risk by transacting the majority of its securities and contractual commitment activities with broker-dealers, banks and regulated exchanges with high credit ratings and that the directors of the Fund considers to be well established.

CALYPSO ASIA FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

15. FINANCIAL INSTRUMENTS, ASSETS AND LIABILITIES AND RISK MANAGEMENT POLICY OF THE FUND (continued)

(d) Capital management

Capital of the Fund is deemed to be the net assets attributable to holders of its participating redeemable shares ("Net Assets"). The Fund invests its Net Assets for the purpose of delivering consistent positive returns in accordance with the investment strategy set forth in the Fund's Offering Memorandum.

The Fund through its Investment Manager has policies and processes for the selection and on going monitoring of its investments and cash positions. The Investment Managers' investment team and internal control function carry out these policies and processes.

16. EVENT AFTER THE REPORTING PERIOD

The loan receivable from Team Genius Limited of US\$1,289,757 was fully repaid on 9 January 2010.

17. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the directors on 18 June 2010.

CALYPSO ASIA FUND

PORTFOLIO LISTING

31 December 2009

Financial assets at fair value through profit or loss

	<u>Holdings</u>	<u>Market Value</u> <u>US\$</u>	<u>% of</u> <u>NAV</u>
<u>Equities</u>			
HONG KONG			
CAFE DE CORAL HOLDINGS LTD	184,000	420,881	2.07
CENTRON TELECOM INTERNATIONAL HOLDINGS LTD.	1,680,000	500,390	2.46
CHINA BLUECHEMICAL LTD - H	690,000	418,152	2.06
CHINA COAL ENERGY CO - H	256,000	468,723	2.31
CHINA CORN OIL CO LTD	404,000	322,969	1.59
CHINA COSCO HOLDINGS - H	253,000	312,191	1.54
CHINA EVERBRIGHT INTL LTD	1,048,000	540,516	2.66
CHINA HIGH SPEED TRANSMISSION EQUIPMENT GROUP CO L	135,000	328,990	1.62
CHINA HUIYUAN JUICE GROUP LTD	748,500	531,779	2.62
CHINA LONGYUAN POWER GRO	313,000	405,197	1.99
CHINA OVERSEAS LAND + INVESTMENT	144,000	303,762	1.49
CHINA SHIPPING CONTAINER-H	861,000	309,738	1.52
CHINA SINGYES SOLAR TECH	592,000	289,300	1.42
CHINA TRAVEL INTL INV HK	1,054,000	315,294	1.55
CHINA YURAN FOOD GROUP LTD	130,000	385,531	1.90
COMBA TELECOM SYSTEMS HOLDING	176,000	207,191	1.02
DENWAY MOTORS LTD	742,000	469,757	2.31
FOXCONN INTERNATIONAL HLDGS	372,000	434,089	2.14
FUFENG GROUP LTD	690,000	495,555	2.44
GOLDEN EAGLE RETAIL GROUP	225,000	459,542	2.26
GUANGDONG INVESTMENT LTD	908,000	529,190	2.60
HARBIN POWER EQUIPMENT	422,000	377,080	1.86
HENGAN INTL GROUP CO LTD	80,000	590,545	2.91
HONG KONG & CHINA GAS	200,000	502,866	2.47
INSPUR INTERNATIONAL LTD	1,480,000	211,823	1.04
JIANGSU EXPRESS CO LTD-H	484,000	433,728	2.13
KINGSOFT CORP LTD	1,068,000	884,085	4.35
MOBI DEVELOPMENT CO LTD	270,000	113,145	0.56
POLY HONG KONG INVESTMENT - LT	150,000	187,414	0.92
SHENZHEN INVESTMENT LTD.	460,000	195,138	0.96
SINO BIOPHARMACEUTICAL	1,271,000	404,790	1.99

CALYPSO ASIA FUND

PORTFOLIO LISTING

31 December 2009

Financial assets at fair value through profit or loss

	<u>Holdings</u>	<u>Market Value US\$</u>	<u>% of NAV</u>
SINOPHARM GROUP CO-H	86,800	307,780	1.51
TIANJIN CAPITAL ENVIRON-H	1,532,000	551,126	2.71
WAI SON GROUP HOLDINGS LTD	566,000	591,138	2.91
Subtotal		<u>13,799,397</u>	<u>67.90</u>
JAPAN			
AJINOMOTO CO INC	53,000	497,823	2.45
CMK CORP	67,500	483,131	2.38
FIELDS CORP	180	220,528	1.09
HAMAMATSU PHOTONICS KK	15,000	362,711	1.78
HOKUTO CORP	23,600	490,773	2.41
IBIDEN CO LTD CMN	8,200	290,814	1.43
LAWSON INC.	8,000	352,502	1.73
MAKITA CORP	12,600	429,257	2.11
MARUBENI CORP JPN	111,000	609,581	3.00
MITSUBISHI CORP	21,500	532,594	2.62
MOSHI MOSHI HOTLINE INC	25,000	448,150	2.21
NIHON DEMPH KOGYO CO LTD	18,000	324,989	1.60
NISSIN KOGYO CO LTD	31,200	482,171	2.37
SHISEIDO CO LTD	29,600	566,556	2.79
TOHO PHARMACEUTICAL CO	14,000	167,159	0.82
TOYO SUISAN KAISHA LTD	23,000	527,731	2.60
TSUMURA & CO UNSOLICITED	6,000	193,124	0.95
YAMADA DENKI CO LTD	9,000	604,519	2.97
YAMAHA MOTOR CO LTD	42,300	529,607	2.61
Subtotal		<u>8,113,718</u>	<u>39.93</u>
SINGAPORE			
SINGAPORE TECHNOLOGIES ENG	298,000	686,388	3.38
VENTURE MANUFACTURING	47,000	295,365	1.45
WILMAR INTERNATIONAL LTD	71,000	324,547	1.60
Subtotal		<u>1,306,300</u>	<u>6.43</u>
Listed equities total		23,219,415	114.26

CALYPSO ASIA FUND

PORTFOLIO LISTING

31 December 2009

Financial assets at fair value through profit or loss

	<u>Holdings</u>	Market Value <u>US\$</u>	<u>% of NAV</u>
<u>Mutual Fund</u>			
CAYMAN ISLANDS			
Greater China Special Value Fund June 2009 Series	17,000	1,944,290	9.57
TOP Commodity Fund	17,000	<u>1,693,370</u>	<u>8.33</u>
Subtotal		<u>3,637,660</u>	<u>17.90</u>
<u>Futures Contracts</u>			
MSCI TAIWAN INDEX Jan10	18	<u>17,280</u>	<u>0.09</u>
Subtotal		<u>17,280</u>	<u>0.09</u>
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u><u>26,874,355</u></u>	<u><u>132.24</u></u>

CALYPSO ASIA FUND

PORTFOLIO LISTING

31 December 2009

Financial liabilities at fair value through profit or loss

	<u>Holdings</u>	Market Value <u>US\$</u>	% of <u>NAV</u>
<u>Equities</u>			
HONG KONG			
BANK OF CHINA LTD	(446,000)	(241,530)	(1.19)
BYD CO LTD-H	(57,500)	(507,492)	(2.50)
CHINA MERCHANTS BANK	(93,000)	(244,025)	(1.20)
CHINA UNICOM HONG KONG LTD	(336,000)	(446,236)	(2.20)
ESPRIT HOLDING LTD	(92,223)	(617,750)	(3.04)
HONG KONG EXCHANGE HKD1	(40,800)	(733,875)	(3.61)
INDUSTRIAL & COMMERCIAL BANK OF CHINA	(355,000)	(294,783)	(1.45)
Subtotal		<u>(3,085,690)</u>	<u>(15.18)</u>
JAPAN			
DENTSU INC	(24,300)	(557,560)	(2.74)
NINTENDO CO LTD	(1,000)	(237,401)	(1.17)
SONY CORP	(18,000)	(517,468)	(2.55)
Subtotal		<u>(1,312,429)</u>	<u>(6.46)</u>
Listed equities total		<u>(4,398,119)</u>	<u>(21.64)</u>
<u>Futures</u>			
HANG SENG IDX FUT Jan10	(15)	(48,810)	(0.24)
H-SHARES IDX FUT Jan10	(26)	(38,953)	(0.19)
NIKKEI 225 (SGX) Mar10	(36)	(20,795)	(0.10)
Subtotal		<u>(108,558)</u>	<u>(0.54)</u>
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u><u>(4,506,677)</u></u>	<u><u>(22.18)</u></u>

CALYPSO ASIA FUND

PORTFOLIO LISTING

31 December 2008

Financial assets at fair value through profit or loss

	<u>Holdings</u>	<u>Market Value</u> <u>US\$</u>	<u>% of</u> <u>NAV</u>
<u>Equities</u>			
HONG KONG			
CAFE DE CORAL HLDGS	178,000	360,589	2.53
CHINA MOBILE LTD	30,000	301,157	2.11
CHINA PHARMACEUTICAL GROUP LIMITED	1,120,000	393,079	2.76
CHINA RAILWAY GROUP LIMITED	490,000	339,518	2.38
CHINA STATE CONSTRUCTION INT HLDG	1,200,000	209,030	1.47
DATANG INTL POWER GENERATION COMPANY	358,000	189,391	1.33
ESPRIT HOLDINGS LIMITED	60,000	339,867	2.39
FOXCONN INTERNATIONAL HLDGS LTD	470,000	155,856	1.09
HUADIAN POWER INTERNATIONAL CORP	1,530,000	365,221	2.56
HUTCHISON WHAMPOA	50,000	250,642	1.76
JOHNSON ELETRIC HOLDINGS LIMITED	146,500	24,763	0.17
SINOFERT HOLDINGS	560,000	270,964	1.90
Subtotal		<u>3,200,077</u>	<u>22.45</u>
JAPAN			
HAMAMATSU PHOTONICS	15,200	285,617	2.01
HITACHI CONSTRUCTION MACHINERY	12,900	147,485	1.04
HITACHI METALS LTD	35,000	158,443	1.11
JAPAN TOBACCO INC	65	211,202	1.48
MOSHIMOSHI HOTLINE	16,000	418,548	2.94
NIHON DEMPA KOGYO CO LTD	24,700	284,571	2.00
NIKON CORP	27,000	314,638	2.21
NISSIN KOGYO	20,000	145,831	1.02
POINT INC	6,000	326,468	2.29
RIGHT-ON CO LTD	16,500	265,519	1.86
SHIMAMURA CO LTD	3,900	296,828	2.08
STANLEY ELECTRIC CO LTD	30,000	308,294	2.16
TAKEDA PHARMACEUTICAL CO LTD	6,700	342,417	2.40
TAMRON CO LTD	6,700	57,857	0.41
TOHO PHARMACEUTICAL CO	28,000	383,346	2.69
TOYO SUISAN KAISHA LTD	12,000	341,007	2.39
TOYOTA MOTOR CORP	13,300	418,234	2.94
TSUMURA & CO	5,000	183,390	1.29
YAMAHA MOTOR CO	45,000	461,945	3.24
Subtotal		<u>5,351,640</u>	<u>37.56</u>
SINGAPORE			
SINGAPORE TECHNOLOGIES ENGINEERING	196,000	323,391	2.27
VENTURE CORP LTD	160,000	487,887	3.43
Subtotal		<u>811,278</u>	<u>5.70</u>
Listed equities total		<u>9,362,995</u>	<u>65.71</u>

CALYPSO ASIA FUND

PORTFOLIO LISTING (continued)

31 December 2008

Financial assets at fair value through profit or loss (continued)

	<u>Holdings</u>	<u>Market Value</u> <u>US\$</u>	<u>% of</u> <u>NAV</u>
<u>Futures Contracts</u>			
H-SHARES IDX FUT Jan09	7	(335)	0.00
Subtotal		<u>(335)</u>	<u>0.00</u>
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>9,362,660</u>	<u>65.71</u>

CALYPSO ASIA FUND

PORTFOLIO LISTING (continued)

31 December 2008

Financial liabilities at fair value through profit or loss

	<u>Holdings</u>	<u>Market Value US\$</u>	<u>% of NAV</u>
<u>Equities</u>			
AUSTRALIA			
ASX LTD	(17,920)	(420,460)	(2.95)
BHP BILLITON LTD	(24,000)	(514,753)	(3.61)
Subtotal		<u>(935,213)</u>	<u>(6.56)</u>
HONG KONG			
BEIJING CAPITAL INT AIRPORT	(370,000)	(185,714)	(1.30)
CATHAY PACIFIC AIRWAYS	(230,000)	(258,784)	(1.82)
CHEUNG KONG (HOLDINGS) LTD	(44,000)	(416,149)	(2.92)
CHINA LIFE INSURANCE CO LTD	(88,000)	(267,403)	(1.88)
GUANGZHOU R&F PROPERTIES	(296,000)	(326,551)	(2.29)
HANG LUNG PROPERTIES	(135,000)	(293,338)	(2.06)
HANG SENG BANK	(22,000)	(288,693)	(2.03)
HONG KONG EXCHANGES & CLEARING	(40,800)	(387,463)	(2.72)
MTR CORPORATION LTD	(146,000)	(338,339)	(2.38)
PARKSON RETAIL GROUP LTD	(88,000)	(99,921)	(0.70)
SHIMAO PROPERTY HOLDINGS LIMITED	(400,000)	(277,674)	(1.95)
SUN HUNG KAI PROPERTIES LTD	(38,000)	(316,745)	(2.22)
Subtotal		<u>(3,456,774)</u>	<u>(24.27)</u>
JAPAN			
DENTSU	(243)	(473,742)	(3.33)
MITSUBISHI CORP	(14,000)	(190,902)	(1.34)
NIPPON EXPRESS CO	(73,000)	(300,716)	(2.11)
NIPPON PAPER GROUP INC	(132)	(520,498)	(3.65)
OJI PAPER CO	(90,000)	(520,432)	(3.65)
TOKYO ELECTRON	(10,000)	(341,447)	(2.40)
YAMATO HOLDINGS CO LTD	(28,000)	(357,748)	(2.51)
Subtotal		<u>(2,705,485)</u>	<u>(18.99)</u>
SINGAPORE			
NOBLE GROUP	(134,500)	(95,510)	(0.67)
SINGAPORE EXCHANGE	(90,000)	(318,295)	(2.23)
Subtotal		<u>(413,805)</u>	<u>(2.91)</u>
Listed equities total		<u>(7,511,277)</u>	<u>(52.73)</u>
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u><u>(7,511,277)</u></u>	<u><u>(52.73)</u></u>